

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE FILING BY BLACK)
HILLS POWER AND LIGHT COMPANY FOR)
APPROVAL OF AMENDMENT NO. 2 TO)
INDUSTRIAL CONTRACT SERVICE)
AGREEMENT WITH HOMESTAKE MINING)
COMPANY)**

**ORDER APPROVING
AMENDED CONTRACT
SERVICE AGREEMENT AND
TARIFF REVISIONS**

EL98-022

On November 17, 1998, the Public Utilities Commission (Commission) received an application from Black Hills Power and Light Company (BHP&L) requesting the Commission to approve Amendment No. 2 to the Industrial Contract Service Agreement between BHP&L and Homestake Mining Company (Homestake). BHP&L asked for approval of the following revised tariff sheets of its electric tariff:

Table of Contents, Section No. 1, 5th Revised Sheet No. 3

Summary List of Contracts with Deviations, Section No. 4, 7th Revised Sheet No. 1

According to the application, Amendment No. 1 to the Industrial Contract Service Agreement required Homestake to rebuild portions of its distribution system and have that substantially completed by December 31, 1998. Amendment No. 2 grants Homestake's request for an extension of the deadline to September 1, 1999. Homestake will also be 100% liable for the costs of any capital investment BHP&L must make at the Kirk Substation to serve Homestake at voltages below 69 kV, from January 1, 1999, through September 1, 1999.

At its regularly scheduled December 7, 1998, meeting, BHP&L explained the filing to the Commission. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10 and 49-34A-12. The Commission voted to grant the request to approve Amendment No. 2 to the Industrial Contract Service Agreement and finds the revised tariffs just and reasonable. As the Commission's final decision in this matter, it is therefore

ORDERED that Amendment No. 2 to the Industrial Contract Service Agreement is hereby approved. It is further

ORDERED that BHP&L's aforementioned revised tariffs are approved as filed and shall be effective for service rendered on and after January 1, 1999.

Dated at Pierre, South Dakota, this 11th day of December, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: _____

Date: _____

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner